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MEMO ENDORSED

Briefing as to all remaining issues will proceed simultaneously. Opening briefs will be served by December 21, 2012; opposition papers will be served on January 27, 2013; and reply papers will be served by February 5, 2013. The page limitations are enlarged as the parties request.

SO ORDERED:

Paul G. Gardephe
November 21, 2012
Paul G. Gardephe, U.S.D.J.

Dated: Nov. 21, 2012

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BY FACSIMILE AND BY FEDEX

Hon. Paul G. Gardephe
United States District Judge
United States District Court for the
Southern District of New York
500 Pearl Street
New York, NY 10007

Re: SEC v. Reserve Management Company, Inc., et al, No. 09 Civ. 4346(PGG)

Dear Judge Gardephe:

Pursuant to the Court's Order of November 14, 2012, the parties respectfully submit this joint letter in order to propose a briefing schedule for all remaining issues in this case, including any issues relating to indemnification and management fees.

We begin with points of agreement. Because of the number of potential issues, the parties jointly request a relaxation of page limitations, permitting opening and answering briefs to be up to 40 pages, and reply briefs up to 20 pages.

The parties differ on scope and sequencing of briefing.

Defendants' position. Defendants believe that it would be most efficient to brief all remaining issues simultaneously. This would include (a) any post-trial motions under Rules 50, 59 and/or 60; (b) any further submissions for indemnification, management fees, and/or expense reimbursements; and (c) any application the SEC wishes to make regarding penalties. To accommodate all of these potential matters, and in light of the intervening holidays, defendants propose that all notices of motion be filed within the deadlines set forth in the Federal Rules of Civil Procedure, and that consolidated briefing on all issues occur as follows: (a) opening briefs served on December 28, 2012; (b) answering briefs served on February 8, 2012; and (c) reply briefs served (and all briefs filed) on February 28, 2012.

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Hon. Paul G. Gardephe
November 21, 2012
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SEC's position. The SEC intends to move under Federal Rules of Civil Procedure 50(b) and 59 as to certain issues. Resolution of these motions may impact the relief awarded as well as final disposition of the Expense Fund. Thus—to avoid duplicative briefing—the SEC proposes that the Court resolve these motions before addressing remedies or any other issues affecting the Expense Fund, including applications for management fees or indemnification. Should the Court grant the SEC's request, we propose that motions concerning the Jury's verdict under Rules 50(b), 59, or 60 be briefed according to the following schedule: (1) motions and supporting materials due by December 13, 2012; (2) opposition papers due by January 14, 2012; and (3) reply papers due by January 28, 2012. (See Fed. R. Civ. P. 6(b) (requiring the filing of motions under Fed. R. Civ. P. 50(b) and 59 by no later than 28 days from entry of judgment).)

Respectfully,

/s/

Fran M. Jacobs
Duane Morris LLP

/s/

Alexander Janghorbani
Securities and Exchange Commission